II

117TH CONGRESS
1ST SESSION

S. 1479

To amend the Internal Revenue Code of 1986 to provide a tax credit for taxpayers who remove lead-based hazards.

IN THE SENATE OF THE UNITED STATES

APRIL 29, 2021

Mr. WHITEHOUSE (for himself, Mr. SCHUMER, Mr. BLUMENTHAL, Mrs. GILLIBRAND, Ms. HASSAN, and Mr. PETERS) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to provide a tax credit for taxpayers who remove lead-based hazards.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; FINDINGS; PURPOSE.

(a) SHORT TITLE.—This Act may be cited as the "Home Lead Safety Tax Credit Act of 2021".

(b) FINDINGS.—Congress finds that:

(1) Lead is a metal that can produce a wide range of health effects in humans when ingested. Children are more vulnerable to lead poisoning than adults.

(2) Lead poisoning is a serious, entirely preventable threat to a child's intelligence, behavior, and learning. In severe cases, lead poisoning can result in death.

(3) According to the Department of Housing and Urban Development, approximately 22,000,000 housing units nationwide have at least 1 lead paint hazard.

(4) While appropriated Federal lead abatement programs, such as the Lead Hazard Control and Healthy Homes grant programs, have helped reduce childhood lead poisoning, funding constraints have limited their impact to only about 400,000 homes since 1993.

(5) Childhood lead poisoning can be dramatically reduced by the abatement or complete removal of all lead-based hazards. Empirical studies also have shown substantial reductions in lead poisoning when the affected properties have undergone ''interim control measures'' that are less costly than abatement.

(c) PURPOSE.—The purpose of this section is to encourage the safe removal of lead hazards from homes and thereby decrease the number of children who suffer reduced intelligence, learning difficulties, behavioral problems, and other health consequences due to lead poisoning.

SEC. 2. HOME LEAD HAZARD REDUCTION ACTIVITY TAX CREDIT.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after section 36B the following new section:

"SEC. 36C. HOME LEAD HAZARD REDUCTION ACTIVITY.

"(a) ALLOWANCE OF CREDIT.—

"(1) IN GENERAL.—Subject to paragraph (2), there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to 50 percent of the lead hazard reduction activity cost paid or incurred by the taxpayer during the taxable year for each eligible dwelling unit.

"(2) ELECTION TO APPLY COSTS TO PRIOR YEAR.—For purposes of this section, a taxpayer may elect to treat any lead hazard reduction activity cost paid or incurred by the taxpayer during the taxable year as having been paid or incurred during the preceding taxable year.

"(b) LIMITATIONS.—

"(1) IN GENERAL.—Subject to paragraph (3), the amount of the credit allowed under subsection

(a) for any eligible dwelling unit for any taxable year shall not exceed—

"(A) $3,000 in the case of lead hazard reduction activity cost including lead abatement measures described in clauses (i), (ii), (iv), or (v) of subsection (c)(1)(A), and

"(B) $1,000 in the case of lead hazard reduction activity cost including interim lead control measures described in clauses (i), (iii), (iv), and (v) of subsection (c)(1)(A).

"(2) OTHER TAX CREDITS.—In the case of any credit against State or local tax liabilities which is allowable under the laws of any State or political subdivision thereof to a taxpayer with respect to any costs paid or incurred by the taxpayer which would otherwise qualify as lead hazard reduction activity costs under this section, the amount of the credit allowed under subsection (a) for any eligible dwelling unit for any taxable year (determined after application of paragraph (1)) shall not exceed an amount equal to the excess, if any, of—

"(A) the lead hazard reduction activity cost paid or incurred by the taxpayer during the taxable year for such unit, over

"(B) the amount of such State or local tax credit.

"(3) LIMITATION PER RESIDENCE.—The cumulative amount of the credit allowed under subsection (a) for an eligible dwelling unit for all taxable years shall not exceed $4,000.

"(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) LEAD HAZARD REDUCTION ACTIVITY COST.—

"(A) IN GENERAL.—The term 'lead hazard reduction activity cost' means, with respect to any eligible dwelling unit—

"(i) the cost for a certified risk assessor to conduct an assessment to determine the presence of a lead-based hazard (as such terms are defined by the Secretary, in consultation with the Administrator of the Environmental Protection Agency),

"(ii) the cost for performing lead abatement measures by a certified lead abatement supervisor (as such term is defined by the Secretary, in consultation with the Administrator of the Environmental Protection Agency), including the removal of paint, dust, or pipes, the permanent enclosure or encapsulation of lead-based paint or pipes, the replacement of painted surfaces, windows, or fixtures, or the removal or permanent covering of soil when lead-based hazards are present,

"(iii) the cost for performing interim lead control measures to reduce exposure or likely exposure to lead-based hazards, including specialized cleaning, repairs, maintenance, painting, temporary containment, ongoing monitoring of lead-based hazards, and the establishment and operation of management and resident education programs, but only if such measures are evaluated and completed by a certified lead abatement supervisor using accepted methods, are conducted by a qualified contractor, and have an expected useful life of more than 10 years,

"(iv) the cost for a certified lead abatement supervisor, persons working under the supervision of such supervisor, or a qualified contractor to perform all preparation, cleanup, disposal, and clearance testing activities associated with the lead abatement measures or interim lead control measures, and

"(v) costs incurred by or on behalf of any occupant of such dwelling unit for any relocation which is necessary to achieve occupant protection (as such term is defined by the Secretary, in consultation with the Administrator of the Environmental Protection Agency).

"(B) LIMITATION.—The term 'lead hazard reduction activity cost' does not include any cost to the extent such cost is funded by any grant, contract, or otherwise by another person or any governmental agency.

"(2) ELIGIBLE DWELLING UNIT.—

"(A) IN GENERAL.—The term 'eligible dwelling unit' means any dwelling unit—

"(i) which was placed in service before 1978, and

"(ii) which is located in the United States,

without regard to whether such dwelling unit is subsidized or assisted under any Federal program.

"(B) DWELLING UNIT.—The term 'dwelling unit' has the meaning given such term by section 280A(f)(1).

"(3) QUALIFIED CONTRACTOR.—The term 'qualified contractor' means any contractor who has successfully completed a training course on lead safe work practices which has been approved by the Department of Housing and Urban Development and the Environmental Protection Agency.

"(4) DOCUMENTATION REQUIRED FOR CREDIT ALLOWANCE.—No credit shall be allowed under subsection (a) with respect to any eligible dwelling unit for any taxable year unless, after lead hazard reduction activity is complete, a certified inspector (as such term is defined by the Secretary, in consultation with the Administrator of the Environmental Protection Agency) or certified risk assessor provides written documentation to the taxpayer that includes—

"(A) evidence that—

"(i) the eligible dwelling unit meets the lead hazard reduction criteria defined by the Secretary, in consultation with the Administrator of the Environmental Protection Agency, or ''(ii) the eligible dwelling unit meets lead hazard evaluation criteria established under an authorized State or local program, and

''(B) documentation showing that the lead hazard reduction activity meets the requirements of this section.

''(5) BASIS REDUCTION.—The basis of any property for which a credit is allowable under subsection (a) shall be reduced by the amount of such credit.

''(6) NO DOUBLE BENEFIT.—Any deduction allowable for costs taken into account in computing the amount of the credit for lead hazard reduction activity shall be reduced by the amount of such credit attributable to such costs.

''(d) INFLATION ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 2021, each of the dollar amounts in subsection (b) shall be increased by an amount equal to—

''(1) such dollar amount, multiplied by

''(2) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2020' for 'calendar year 2016' in subparagraph (A)(ii) thereof.

Any increase determined under the preceding sentence shall be rounded to the nearest multiple of $100.

"(e) TERMINATION.—This section shall not apply to any amount paid or incurred after December 31, 2024.".

(b) CONFORMING AMENDMENTS.—

(1) Section 1324(b)(2) of title 31, United States Code, is amended by inserting ", 36C" after "36B".

(2) The table of sections for subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting before the item relating to section 37 the following new item:

"Sec. 36C. Home lead hazard reduction activity.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to lead hazard reduction activity costs incurred after December 31, 2020, in taxable years ending after such date.

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